

# HOUSE BILL REPORT

## SHB 2069

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### As Passed Legislature

**Title:** An act relating to continuation of safety net benefits for persons determined to have a physical or mental disability which makes them eligible for the aged, blind, and disabled program under RCW 74.62.030 or the essential needs and housing program under RCW 43.185C.220

**Brief Description:** Concerning continuation of safety net benefits for persons with a physical or mental disability which makes them eligible for certain social services programs.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Hunter and Sullivan).

### Brief History:

#### Committee Activity:

Appropriations: 6/5/13 [DPS].

#### Floor Activity:

Passed House: 6/6/13, 83-5.

Passed House: 6/23/13, 78-8.

Senate Amended.

Passed Senate: 6/28/13, 46-2.

House Concurred.

Passed House: 6/28/13, 83-9.

Passed Legislature.

### Brief Summary of Substitute Bill

- Modifies the eligibility criteria for the Medical Care Services and the Aged, Blind, or Disabled Assistance Program.
- Requires the Department of Social and Health Services to determine eligibility for the Essential Needs and Housing Services Program.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 20 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Carlyle, Cody,

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Dunshee, Green, Haigh, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Pedersen, Pettigrew, Seaquist, Springer and Sullivan.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Buys, Dahlquist, Fagan, Haler, Schmick and Taylor.

**Staff:** Andy Toulon (786-7178) and Linda Merelle (786-7092).

### **Background:**

#### Medical Care Services.

Medical Care Services (MCS) are a limited scope of medical care offered to persons who receive public assistance benefits as a result of a mental or physical disability and to recipients of drug and alcohol addiction services. Persons are eligible for medical care services if they are incapacitated from gainful employment for a minimum of 90 days and meet the income and resource eligibility requirements.

#### Aged, Blind, or Disabled Assistance Program.

The Aged, Blind, or Disabled Assistance Program was established in 2011, pursuant to Engrossed Substitute House Bill 2082 (ESHB 2082). Under this program, the Department of Social and Health Services (DSHS) provides financial assistance to persons who meet the income, resource, and incapacity standards, which include having a medical or mental health impairment that is likely to meet federal Supplemental Security Income (SSI) disability standards. The federal SSI standards include the requirement that an individual has a disability that is likely to continue for a minimum of 12 months and that prevents the individual from performing work that he or she was able to perform within the past 15 years. A person is not eligible for the Aged, Blind, or Disabled Assistance Program if there has been a final determination that he or she is not eligible for federal SSI.

#### Medicaid Expansion.

Medicaid is a federal-state partnership that provides an array of programs including services for medical care, mental health, long-term care, and substance abuse and chemical dependency. The Health Care Authority is designated as the state agency for Medicaid, and it has responsibility for the medical programs. Other programs are coordinated with the DSHS.

The 2010 federal Patient Protection and Affordable Care Act (Affordable Care Act) included a number of changes to the Medicaid program, including a streamlining of the eligibility process. The Affordable Care Act gives the state the option, with federal financial support, to provide Medicaid services to a new category of adults, known as the expansion population. The expansion population includes adults aged 19 to 65 who have modified adjusted gross incomes below 133 percent of the federal poverty level. There is no requirement for disability for eligibility for the Medicaid expansion population.

#### Essential Needs and Housing Support Program.

The Essential Needs and Housing Support (ENHS) Program was created in 2011 under ESHB 2082. Individuals eligible for the MCS Program, except for recipients under the Alcoholism and Drug Addiction Treatment Support Act (ADATSA) and the Aged, Blind, or Disabled Assistance Program, are eligible for a referral to the ENHS Program. No cash grant

is awarded under the ENHS Program. After 12 months, the DSHS must review cases of clients in the MCS Program who have been referred to the ENHS Program. Thereafter, the DSHS must review those cases annually.

**Summary of Substitute Bill:**

Medical Care Services.

The MCS may be provided only to legal immigrants who are eligible for the Aged, Blind, or Disabled Assistance Program or the ENHS Program but who are not eligible for Medicaid.

Aged, Blind, or Disabled Assistance Program.

Until June 30, 2015, a disabled person is an individual who has a bodily or mental infirmity that will likely continue for a minimum of nine months and prevent the individual from performing work that he or she was able to perform in the prior 10 years and who is otherwise likely to meet the federal SSI standard. If a person is determined to be "disabled" by the DSHS, he or she may be eligible for the Aged, Blind, or Disabled Assistance Program. Beginning July 1, 2015, a disabled person is one who is likely to meet the federal SSI standard. Persons eligible for the Aged, Blind, or Disabled Assistance Program must meet the same income and resource criteria as those required for the ENHS Program.

Essential Needs and Housing Support Program.

Eligibility for referral to the ENHS Program is determined by the DSHS and is no longer determined by eligibility for MCS. Persons eligible for the ENHS Program are those who are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of 90 days. Persons are not eligible for the ENHS Program if they are unemployable primarily due to alcohol or drug addiction.

Persons eligible for the Aged, Blind, or Disabled Assistance Program, Temporary Assistance for Needy Families (TANF), Pregnant Women's Assistance program, and federal SSI are expressly excluded from eligibility for the ENHS Program.

**Appropriation:** None.

**Fiscal Note:** Requested on June 6, 2013.

**Effective Date:** The bill takes effect on January 1, 2014, except for section 2 relating to making the eligibility criteria for federal SSI more stringent, which takes effect July 1, 2015.

**Staff Summary of Public Testimony:**

(In support) When discussing the costs and savings associated with the Disability Lifeline Program; the Aged, Blind, or Disabled Assistance Program; the MCS program; and the ENHS Program, it is easy to lose sight of what these programs really are. They are the bare bones minimal safety net for people whose physical or mental incapacities prevent them from working. These clients live lives of complete indigence. The \$197 benefit is not a lot of cash. It is amazing that people can be stabilized for \$197, a small amount of money. For people who do not get cash, the state does not provide a lot of housing but keeps them in some type of shelter. Approximately 30,000 people rely on these programs every month.

This bill preserves the current programs as closely as possible while making the state eligible for additional federal funds. The bill accomplishes the goal of preserving the programs and maximizing federal Medicaid payments.

The ENHS Program is a major factor in the success of drug court participants, when they can access the program. Housing is an essential element to help stabilize people and get their lives on track. If someone is not housed with subsistence support that person will never get his or her life on track. It is easy to criticize adults for having made bad decisions, but there are longevity and generational components to problems with housing and drug and alcohol addiction. It is important to get people back on their feet.

Continuing these programs is a major priority of the business community in Seattle. The ENHS Program is a vital part of preventing homelessness, and in King County, the ENHS Program serves many clients that otherwise would have been homeless. Last month the ENHS Program helped 138 people that would otherwise have been homeless. Having the DSHS continue to conduct eligibility determinations is critical for ENHS providers. At today's level of service, funding for the ENHS Program could not be reduced by \$15 million without reducing services.

People with mental illnesses and chemical dependencies are ill. Chemical dependency is a brain disease and it should be considered like other diseases. These clients should not be excluded from housing because housing is part of the continuum of care.

Many TANF clients become ADATSA clients because they use up their 60 months of TANF benefits. These are pregnant and parenting women that have no funding for housing. If Child Protective Services (CPS) is involved, the children are taken away because the mothers do not have stable places to live.

(In support with concerns) The ENHS Program should be available for ADATSA clients. The state is making significant investments in mental health and substance abuse treatment services and housing is a key element to the success of those efforts. People without housing fail to follow through on aftercare and medication management. They also end up interacting with CPS and recycling trauma.

(With concerns) The state spends a lot on chemical dependency treatment and it is "penny wise and pound foolish" not to include housing to make treatment effective. Housing is critical when clients transition from inpatient to outpatient chemical dependency treatment services. The ADATSA clients should be able to access ENHS.

(Opposed) None.

**Persons Testifying:** (In support) Robin Zukoski, Columbia Legal Services; Bob Cooper, Washington Association of Drug Court Professionals and National Association of Social Workers-Washington Chapter; Flo Beaumon, Catholic Community Services; Carol Wood, United Way of King County; Connie Brown, Tacoma-Pierce County Affordable Housing Council; and Beth Dannhadrt, Washington Low-Income Housing Alliance and Triumph Treatment Services.

(In support with concerns) David Laws, Prosperity Wellness Center.

(With concerns) Melissa Johnson, Association of Alcoholism and Addictions Programs.

**Persons Signed In To Testify But Not Testifying:** None.